of an average and of per cents of increase appear to be hazy. Thus (p. 23) it is stated that the cost to consumer for a sack of onions was $2.50 against $1.10 received by the farmer, "an increase of 136 per cent." That per cent is manifestly nine points too high. On page 22, Dr. King states that there was "an average increase from 210 to 272 per cent for distribution costs alone," in the marketing of Wisconsin cheese in 1913. Computing per cents of increase on the prices set forth in the text, it appears that the per cents of increase were 110.5 and 172.7 respectively. It is only fair to say that the context does not enable one to say who made the errors.

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Theory of Coöperative Credit. Including a Brief Sketch of the Credit System. By H. HEMANTAKUMAR GHOSH. (Calcutta: S. C. Auddy and Company; London: Kegan Paul, Trench, Trubner and Company. 1915. Pp. xii, 212, xliv. 4s.)

A smaller treatment of this subject was issued in 1914, prepared primarily for the use of professors, students, and readers of economics. The additions consist mainly of an attempt to show the position of modern coöperative credit in relation to the larger commercial and industrial credit system. For this purpose a brief sketch of the system is given in chapter 9, which is entitled Credit in Evolution. Together with the two preceding chapters on The Indian Joint Village and Coöperative Credit in India, this forms a very valuable part of the book for American economists.

According to the author, from ancient times down to the Middle Ages credit was utilized principally for purposes of consumption. With the extension of exchange in modern times, credit has widened its sphere to purposes of production. In the latter sense credit is based on confidence in which there is some measure of security and some of risk, and "this confidence arises principally from the solvency, integrity and efficiency of the debtor."

In dealing with coöperative credit, which forms the main subject study, the author confines his attention largely to the European short-time personal coöperative credit societies as organized by Raiffeisen and Schulze-Delitzsch in Germany and by Luzzatti in Italy, but more particularly as these societies relate to agriculture. As distinct from business credit, the author aims to show that agricultural coöperative credit has a moral rather than a material basis. He says:

Raiffeisen well understood that confidence in credit arose not merely from material resources, but to a considerable extent from a moral basis, and that the latter should be made up of honesty, truthfulness, fidelity towards promises, and self-sacrifice. These ethical principles, therefore, were to be among the crude materials from which he desired to manufacture his type of credit.

But these ethical principles are no more pronounced in coöperative credit than they are in commercial credit. The evidence produced by the author tends to show emphatically that agricultural coöperative credit rests on material security. In the record of facts presented in the appendix (pp. i-xli), after a thorough discussion of the author's theory of the moral basis of coöperative credit, it is said of the Raiffeisen societies in Germany that "most of the members possess some material property" (p. vi); of the Schulze-Delitzsch societies in Germany that "credit may only be granted to members of the society, and then only to such extent as the personal credit of the member seeking it and the security furnished permit" (p. xxi); and of the Luzzatti popular banks in Italy that they are able to attract capital because of their moral and material guarantees (p. xxv). Moreover, the cardinal principle of "unlimited liability" as made compulsory by law in Germany would have no significance apart from material security by which the small landowners pledge all their chattels and land for the debts of the society. The same is true of the Luzzatti people's banks in Italy, which adopted the principle of "limited liability," by which the material liability of members is made definite. While in a few instances small loans are made to very poor but honest members of people's banks without material security or endorsers, the practice is very limited in Germany, Italy, France, or any other country where personal coöperative credit societies are extensively organized.

Even the feature of "gratuitous service" which the author emphasizes as indicating a moral basis in coöperative credit, because implying a spirit of self-sacrifice not known in individual or commercial credit, is practically not gratuitous service at all. While for many of the duties performed by members of Raiffeisen cooperative credit societies there is no direct compensation in salaries or wages, there is indirect compensation for every member in the form of reduced interest rates on loans and cheaper prices for farm necessities purchased coöperatively. This is not so much self-sacrifice as self-interest in which all the members share as a result of coöperative effort.

It is difficult to see, therefore, how coöperative credit differs in final analysis from commercial forms of credit, notwithstanding the efforts of the author to maintain his moral-basis theory of coöperative credit.

The book is printed with marginal notes, which are an aid to the reader in the absence of an index. Too many typographical errors, however, mar the otherwise good printing of the volume. The book could be greatly improved if the statistical data were brought many years nearer to date, as could readily be done.

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Die Bank von England mit besonderer Berücksichtigung der Reservefrage und der Entwertung der englischen Rente. By O. Hulftegger. (Zürich: Art. Institut Orell Füssli. 1915. Pp. xiii, 423. 8 M.)

Beginning with a brief historical introduction, this volume gives an unbiased account of the Bank of England in relation to national and international credit. As the title indicates, much emphasis is placed upon the questions of reserve and the fall in the price of consols during the last fifteen years. In successive chapters are considered: the issue department, the banking department, reserve, the place of the reserve in the national and international credit systems, and the national debt. An appendix contains statistics and important dates in the history of the bank.

The author, at one time a student at the University of Zürich and later at the London School of Economics, has given his readers much that is important and interesting, but little that is new. Although he has taken his cue from such authorities as Andréadès, Bagehot, Withers, and Palgrave, he has drawn upon a wide range of sources. His main reliance, however, has been upon publications of our own National Monetary Commission, English banking journals, and the utterances of English bankers and publicists.

As to the question of reserve referred to above, Dr. Hulftegger, writing during a time of peace, takes the unusual position that the English banking reserve is not inadequate. He avers that if a larger reserve were to be maintained it would, in the event of war, be seized by the government—a procedure that would be unfair to the bank as compared with other interests. The contention that the reserve is adequate is inconsistent, however, with his own reminder that the entire English credit structure rests on the note